

From: James Angel
Sent: Monday, August 27, 2012 10:03 AM
To: Schapiro, Mary L.
Subject: Delegated authority and exchange credibility

Dear Mary,

I think that the Commission needs to pay more attention to what the Trading and Markets staff is doing with its delegated authority. The ways in which they continue to misallocate resources hurts the credibility of the agency. At a time when the SEC is not able to meet congressional deadlines for JOBS Act rules, the staff has chosen to again institute proceedings to disallow a totally unopposed SRO filing. I believe that the Commission should be putting resources into getting the required rules right rather than micro-managing totally unopposed SRO filings. If there are problems with an SRO filing, the public comment process quickly brings them to the surface: The SRO's competitors and enemies don't hesitate to scream, as you are well aware.

Here is my comment letter on the latest example: <http://www.sec.gov/comments/sr-nasdaq-2012-059/nasdaq2012059-1.pdf>

Such continuing waste of resources hurts efforts to increase SEC funding as the perception of many people in the industry is that additional resources would be wasted on proceedings like this one.

By the way, I don't only criticize the agency, I also praise it when deserved and I have continually called for better funding. I think you made the right call on the issue of breaking trades after the Knightmare, and I have told many reporters this. I also have commented that the CAT decision was done the right way as well. :)

Cheers,

Jim

p.s. Here is my polemic comment letter from the previous time. Even after instituting such proceedings, there were no comments opposing the proposal. The staff just sniffed that the NYSE had not in their opinion met its burden of proof (without stating what and rejected the proposal using delegate authority. The NYSE floor's market share has shrunk to the point that the Commission can rely on competitive forces to monitor the fairness of its practices. If customers don't get treated fairly, they will go to other markets.

<http://www.sec.gov/comments/sr-nyse-2011-56/nyse201156-5.pdf>

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